UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JUL 14 2011

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Gilbert Spilman, President
Aluminum Recovery Technologies, Inc.
2170 Production Road
Kendallville, IN 46755

Re: Administrative Order EPA-5-11-113(a)-IN-02

Dear Mr. Spilman

Enclosed is an executed original of the Administrative Consent Order regarding the above captioned case. If you have any questions about the Order, please contact me at 312-886-6812.

Sincerely,

Brent Marable
Chief
Air Enforcement and Compliance Assurance Section (IL/IN)

Enclosure: Administrative Consent Order EPA-5-11-113(a)-IN-02

cc: Phil Perry
Indiana Department of Environmental Management

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

IN THE MATTER OF:	)	**EPA-5-11-113(a)-IN-02**
	)	
Aluminum Recovery Technologies, Inc.	)	**Proceeding Under Sections 113(a)(3),**
Kendallville, Indiana	)	**114(a)(1) of the Clean Air Act,**
	)	**42 U.S.C. §§ 7413(a)(3), 7414(a)(1)**

Administrative Consent Order

1. The Director of the Air and Radiation Division, U.S. Environmental Protection Agency, Region 5, is issuing this Administrative Order (Order) to Aluminum Recovery Technologies, Inc. (ART) in Kendallville, Indiana, under Sections 113(a)(3) and 114(a)(1) of the Clean Air Act (the Act), 42 U.S.C. §§ 7413(a)(3) and 7414(a)(1).

Statutory and Regulatory Background

2. Under Section 112 of the Act, 42 U.S.C. § 7412, EPA promulgated the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Secondary Aluminum Production, 40 CFR Part 63, Subpart RRR and the General Provisions of the NESHAP, 40 CFR Part 63, Subpart A.

3. The NESHAP Subparts RRR and A apply to the following affected sources, among others, located at a secondary aluminum production facility that is a major source of hazardous air pollutants (HAPs): each new and existing secondary aluminum processing unit.

4. The NESHAP, at 40 CFR § 63.1501 states that the owner or operator of an existing affected source must comply with the requirements of 40 CFR Part 63, Subpart RRR by March 24, 2003.

5. The NESHAP, at 40 CFR § 63.1501 states that the owner or operator of a new affected source (other than an affected source which is constructed or reconstructed at any

existing aluminum die casting facility, aluminum foundry or aluminum extrusion facility) that commences construction or reconstruction after February 11, 1999 must comply with the requirements of 40 CFR Part 63, Subpart RRR by March 24, 2000 or upon startup, whichever is later.

6. The NESHAP, at 40 CFR § 63.1505(k) requires that the owner or operator of each secondary aluminum processing unit (SAPU) must comply with the emission limits calculated using specified equations in 40 CFR § 63.1505(k)(1) through (3). Specifically, 40 CFR § 63.1505(k)(3) states that the owner or operator must not discharge or allow to be discharged to the atmosphere any 3-day, 24-hour rolling average emission of D/F in excess of the limit calculated by the equation in 40 CFR § 63.1505(k)(3).

7. The NESHAP, at 40 CFR § 63.1503 defines "secondary aluminum processing unit" or "SAPU" as follows: An existing SAPU means all existing group 1 furnaces and all existing in-line fluxers within a secondary aluminum production facility. Each existing group 1 furnace or existing in-line fluxer is considered an emission unit within a secondary aluminum processing unit. A new SAPU means any combination of individual group 1 furnaces and in-line fluxers within a secondary aluminum processing facility which either were constructed or reconstructed after February 11, 1999, or have been permanently redesignated as new emission units pursuant to 40 CFR § 63.1505(k)(6). Each of the group 1 furnaces or in-line fluxers within a new SAPU is considered an emission unit within that secondary aluminum processing unit.

8. The NESHAP, at 40 CFR § 63.1511(e) requires that the owner or operator of new or existing affected sources and emission units located at secondary aluminum production facilities that are major sources must conduct a performance test every 5 years following the initial performance test.

9. The NESHAP, at 40 CFR § 63.1511(g) requires the owner or operator of a new or existing affected source and emission unit to establish a minimum or maximum operating parameter value, or an operating parameter range for each parameter to be monitored that ensures compliance with the applicable emission limit or standard.

10. The NESHAP, at 40 CFR § 63.7(e), requires that performance tests be conducted under such conditions as the Administrator specifies to the owner or operator based on representative performance (i.e., performance based on normal operating conditions) of the affected source.

11. The NESHAP, at 40 CFR § 63.1506(m) requires that the owner or operator of a group 1 furnace with emissions controlled by a lime-injected baghouse must, among other things, maintain the 3-hour block average inlet temperature for each fabric filter at or below the average temperature established during the performance test, plus 14 degrees C (plus 25 degrees F).

12. Under Section 113(a)(3) of the Act, 42 U.S.C. § 7413(a)(3), the Administrator of EPA may issue an order requiring compliance to any person who has violated or is violating the NESHAP regulations. The Administrator has delegated this authority to the Regional Administrator who has delegated this authority to the Director of the Air and Radiation Division.

13. The Administrator of EPA may require any person who owns or operates an emission source to make reports, sample emissions, and provide information required by the Administrator under Section 114(a)(1) of the Act, 42 U.S.C. § 7414(a)(1). The Administrator has delegated this authority to the Regional Administrator who has delegated this authority to the Director of the Air and Radiation Division.

Findings

14. Aluminum Recovery Technologies, Inc. (ART or the facility) owns and operates a secondary aluminum facility at 2170 Production Road, Kendallville, Indiana.

15. The ART facility is a major source of HAPs as that term is defined in 40 CFR § 63.2.

16. The ART facility is subject to the NESHAP for Secondary Aluminum Production, 40 CFR Part 63, Subpart RRR and the General Provisions of the NESHAP, 40 CFR Part 63, Subpart A .

17. ART owns and operates the following affected sources, among possible others, subject to 40 CFR Part 63, Subparts A and RRR: an existing thermal chip dryer, Chip Dryer #1; and a SAPU consisting of the following new and existing group 1 furnaces: Rotary Furnace #1 (Furnace #1), an existing source; Rotary Furnace #2 (Furnace #2), an existing source; and Reverb Furnace #1 (Furnace #4), a new source.

18. ART owns or operates an "emission source" within the meaning of Section 114(a)(1) of the Act, 42 U.S.C. § 7414(a)(1). Therefore, ART is subject to the requirements of Section 114(a)(1).

19. On March 28, 2011, Astbury Environmental Engineering, Inc. wrote to EPA on behalf of ART. This letter will hereinafter be referred to as the March 28, 2011 ART letter. The March 28, 2011, ART letter stated that in August 2005, ART performed stack testing (performance testing) on Chip Dryer #1, Furnace #1 and Furnace #2.

20. According to the March 28, 2011 ART letter, ART completed performance testing on Chip Dryer #1 in December 2010.

21. According to the March 28, 2011 ART letter, ART completed performance testing on Furnaces #1 and #2 in January 2011.

22. The January 2011 performance test for Furnace #1 and Furnace #2 established a baghouse inlet operating temperature value; however, the established average baghouse inlet operating temperature is not the maximum operating parameter value that will ensure compliance with the D/F emission limits.

23. The January 2011 performance test was not conducted based on representative performance (*i.e.*, performance based on normal operating conditions) of the affected sources.

24. According to the March 28, 2011 ART letter, once ambient temperatures increase during the summer months, established temperatures from the 2010/2011 stack tests will be exceeded by over 25°F. Therefore, since the January 2011 performance test, the 3-hour block average inlet temperature for each fabric filter on Furnace #1 and Furnace #2 has likely exceeded the average temperature established during the performance test, plus 25°F.

25. ART was to have completed valid performance testing on its Subpart RRR affected sources by no later than August 2010. ART has not completed valid representative repeat performance testing for D/F at the baghouses for Furnace #1 and Furnace #2 since August 2005.

Compliance Program

26. No later than September 1, 2011, ART must complete performance testing at Furnace #1 and Furnace #2 as required by 40 CFR Part 63, Subparts A and RRR in accordance with the applicable EPA test methods. The testing must be conducted under conditions representative of maximum hazardous air pollutant (HAP) emissions.

27. As required by 40 CFR § 63.7, ART must notify EPA and the Indiana Department of Environmental Management (IDEM) in writing of its intention to conduct a performance test at least 60 calendar days before the performance test is initially scheduled to begin.

28. At the time that ART notifies EPA and IDEM of the date of performance testing, ART must provide EPA and IDEM with a written site-specific test plan for approval. The site-specific test plan must include the elements listed in 40 CFR § 63.7(c)(2)(i). The performance testing must be conducted under a test plan approved by the EPA and IDEM.

29. During the performance testing required by paragraph 26 above, ART must establish the maximum baghouse inlet operating temperature value for Furnace #1 and Furnace #2 in accordance with 40 CFR § 63.1506(g)(4).

30. During the performance testing required by paragraph 26 above, ART must sample the emissions from Furnace #1 and Furnace #2 at the outlet of the control units for D/F in accordance with 40 § CFR 63.1512(d)(1).

31. The performance testing required by paragraph 26 may be limited to providing the information requested in paragraphs 29 and 30 for Furnace #1 and Furnace #2.

32. Within 60 days of completing the performance testing above, ART must submit a final complete test report to EPA and IDEM and include the information required by 40 CFR § 63.7(g).

33. ART must maintain continuous compliance with 40 CFR Part 63, Subpart RRR including, but not limited to, the requirement to maintain the 3-hour block average inlet temperature for each fabric filter at or below the average temperature established during the performance test, plus 25°F.

34. ART must submit all materials required by this Order to:

Attn: Compliance Tracker (AE-17J)
Air Enforcement and Compliance Assurance Branch
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3511

Michael R. Berman (C-14J)
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3511

35. ART must keep records of all reports submitted to EPA and all documents supporting those reports for at least three years after the termination of this Order unless a longer time is required by permit or regulation.

General Provisions

36. This Order does not affect ART's responsibility to comply with other federal, state and local laws.

37. This Order does not restrict EPA's authority to enforce Section 114 of the Act, or any other section of the Act.

38. Nothing in this Order limits the EPA's authority to seek appropriate relief, including penalties, under Section 113 of the Act, 42 U.S.C. § 7413, for ART's violation of the NESHAP for Secondary Aluminum Production, 40 CFR Part 63, Subpart RRR.

39. Failure to comply with this Order may subject ART to penalties of up to $37,500 per day for each violation under Section 113 of the Act, 42 U.S.C. § 7413 and 40 C.F.R. Part 19.

40. The terms of this Order are binding on ART, its assignees and successors. ART must give notice of this Order to any successors in interest prior to transferring ownership and must simultaneously verify to EPA, at the above address, that it has given the notice.

41. This Order is not subject to the Paperwork Reduction Act, 44 U.S.C. §§ 3501 et seq., because it seeks collection of information by an agency from specific individuals or entities as part of an administrative action or investigation.

42. EPA may use any information submitted under this Order in an administrative, civil judicial or criminal action.

43. ART agrees to the terms of this Order.

44. This Order is effective on the date of signature by the Director of the Air and Radiation Division. This Order will terminate on November 1, 2011, provided that ART has complied with all terms of the Order throughout its duration.

6/29/2011
Date

Gilbert Spilman, President
Aluminum Recovery Technologies, Inc.

7/14/11
Date

Cheryl L. Newton, Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent executed Administrative Consent Order, EPA Order No. EPA-5-11-113(a)-IN-02, by Certified Mail, Return Receipt Requested, to:

Gilbert Spilman, President
Aluminum Recovery Technologies, Inc.
2170 Production Road
Kendallville, Indiana 46755

I also certify that I sent a copy of the Request to Provide Information Pursuant to the Clean Air Act by First-Class Mail to:

Phil Perry
Chief, Compliance and Enforcement Branch
Office of Air Quality
Indiana Department of Environmental Management
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

on the 14 day of July 2011.

Loretta Shaffer

Loretta Shaffer
Administrative Program Assistant
Planning and Administrative Section

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7666 6459